

## INSURANCE DIVISION[191]

### Notice of Intended Action

**Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)"b."**

**Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.**

Pursuant to the authority of Iowa Code section 522B.18, the Insurance Division hereby gives Notice of Intended Action to amend Chapter 10, "Licensing of Insurance Producers," Iowa Administrative Code.

The rules in Chapter 10 set out the requirements, procedures and fees relating to the qualification, licensure and appointment of insurance producers. The purpose of the proposed amendments is to implement electronic delivery of certain notices related to licensing, to eliminate the mailing of paper licenses, and to implement the electronic billing and payment for monthly and renewal appointments. The Division intends that Iowa insurance companies and producers will comply with the rules beginning July 8, 2009.

Any interested person may make written suggestions or comments on these proposed amendments on or before May 4, 2009. Such written materials should be directed to Ann Outka, Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa 50319; fax (515)281-3059.

Also, there will be a public hearing on May 4, 2009, at 2 p.m. at the offices of the Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa, at which time persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the amendments.

Any persons who intend to attend the public hearing and have special requirements, such as those relating to hearing or mobility impairments, should contact the Division and advise of specific needs.

These amendments are intended to implement Iowa Code chapter 522B.

The following amendments are proposed.

ITEM 1. Amend rule **191—10.2(522B)**, definitions of "Appointment" and "Producer renewal notice," as follows:

*"Appointment"* means a notification filed with the division or its designated vendor that an insurer has established an agency relationship with a producer. A company filing such a request must verify that the producer is licensed for the appropriate line(s) of authority.

*"Producer renewal notice"* means ~~a written or~~ an electronic communication issued by the division to inform a producer about license renewal.

ITEM 2. Amend rule 191—10.8(522B) as follows:

#### **191—10.8(522B) License renewal.**

**10.8(1)** ~~The~~ Upon request by a producer, the division shall ~~send~~ electronically transmit a producer renewal notice to ~~each~~ a licensed producer at the producer's last-known electronic mail address as it appears in division records. If the division has received notification ~~from the post office~~ that the electronic address of record is no longer valid, no renewal notice will be ~~mailed~~ transmitted.

**10.8(2)** No change.

**10.8(3)** ~~The division may deliver the producer renewal notice electronically. If delivered electronically, the notice will be sent to the last known electronic mail address of record. A producer may submit an electronic mail address to the division as directed by the division.~~

**10.8(4) and 10.8(5)** No change.

ITEM 3. Amend subrules 10.15(2) and 10.15(4) as follows:

**10.15(2)** ~~Appointments must be filed~~ Insurers shall file and pay for initial appointments using the NIPR Gateway, except that insurers authorized under Iowa Code chapter 518 or 518A shall file appointments directly with the division by arrangement with the division.

**10.15(4)** Appointment fees are set forth in rule 10.26(522B). ~~A billing statement will be submitted to insurance companies on a monthly basis~~ The division or its designee will electronically transmit a billing statement to insurers authorized under Iowa Code chapter 518 or 518A, and payment is due within 45 days. The division will assess a late fee of \$100 for the failure to timely pay appointment billing statements and an additional \$500 on or after the forty-sixth day.

ITEM 4. Amend rule 191—10.16(522B) as follows:

**191—10.16(522B) Appointment renewal.**

**10.16(1)** On or about December 1 of each year, the division ~~shall send~~ or its designee will deliver reminders to insurance companies that appointment renewals are imminent. ~~Such reminders may be delivered electronically.~~ Appointments shall be renewed electronically via the NIPR Gateway at [www.NIPR.com](http://www.NIPR.com).

**10.16(2)** On or about January 2 of each year, ~~the division shall provide~~ a list of the producers currently appointed with each insurance company and a billing statement will be provided to each insurance company via the NIPR Gateway. The billing statement may not be altered, amended or used for appointing or terminating producers.

**10.16(3)** Payment is due ~~at the division~~ on or before March 1 ~~and must include the billing statement~~.

**10.16(4)** No change.

~~**10.16(5)** Renewal lists and billing statements are delivered to insurers by electronic means which may include a system administered by the National Association of Insurance Commissioners or its affiliates or subsidiaries. By special arrangement with the division, insurers may complete the appointment renewal process electronically. This may include a system administered by the National Association of Insurance Commissioners or its affiliates or subsidiaries.~~

~~**10.16(6)**~~ **10.16(5)** Insurance companies are required to file the name, address, and electronic address of a contact person for the company, to whom the appointment renewals will be sent. Insurance companies are required to notify the division if a change of the address of such contact occurs. If a company fails to notify the division of such a change of address, the division shall charge the insurance company a \$100 fee.

ITEM 5. Amend subrule 10.18(4) as follows:

**10.18(4)** *License renewal.* ~~The~~ Upon request by a business entity, the division shall ~~mail electronically transmit~~ a renewal notice to the electronic mail address of the business entity on file with the division on or before the first day of the month preceding the renewal month. ~~The renewal notice and~~ renewal fee must be received by the division, or its designated vendor, on or before the license expiration date. ~~By arrangement with the division, renewal notices may be issued and submitted electronically.~~ All ~~nonresident~~ business entities must renew their licenses through the NIPR Gateway or as otherwise directed by the division.